

Oral Questions

Canadian red raspberries. Our raspberry exporters had challenged the imposition of U.S. duties as allowed under Chapter 19 of the Canada-U.S. Free Trade Agreement.

Mr. Speaker, this case demonstrates the value of the dispute settlement mechanism. It provides for fair application of trade laws on either side of the border.

We can be assured that other cases under review will also be given fair and equitable hearings under this binational dispute resolution process.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance.

Small business has rightly complained that the goods and services tax would be an administrative nightmare.

Bruce Flexman, the senior GST expert at the national accounting firm of Peat, Marwick, Thorne, recently told a Senate committee that the government has been looking into allowing small business to pay an annual tax on revenues instead of collecting the 7 per cent GST.

Is the government planning to do this? If so, how will it live up to its commitment to consumers that the tax would be visible and not apply to basic groceries?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the objective of this—

Some hon. members: Oh, oh!

Mr. Jelinek: Do you want an answer or not?

The objective of this government is to try to make the system as simple as possible, which of course is something that the Liberals do not understand. That is why we have been working very hard to come up with simplified methods.

Whether it is what was announced yesterday for the tourist rebate centres to be utilized by duty free shops, or the streamlined accounting system that is already in place in the technical papers, we are constantly consult-

ing and communicating with the business community, particularly the small business community, in an effort to work with them to bring in a system that will build on the streamlined accounting procedures already in place. This will make the system even simpler and fairer, not only for small businesses but for all Canadians.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of National Revenue has not stated categorically that the government is not considering moving from the GST to a revenue-based tax. The move to a revenue-based tax would be a major change from the GST as presented to this House.

Can the minister assure the House that any changes to the GST or the way it is collected will be brought before this House and Canadians for full and open consideration, and not imposed in secret by Order in Council, by regulation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, from time to time we have brought before this House changes that we have proposed to the GST. Every time we have had discussions on this, the Liberal party is strangely silent, having absolutely no alternatives, no ideas, nothing that it is proposing as to how to deal with the various considerations on the GST.

As my colleague has said, we are continually looking at ways in which we can simplify the system to make it more effective to meet the needs of Canadians, whether they are small business or consumers, and we will continue to do that.

However, I would call on members of the Liberal Party of Canada to get off their fannies for once and take part in this debate because it is good for Canadians if they do take part in that debate.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Canadians have already said no to the government's GST.

My question to the Minister of Finance is: When will the government really consider the opinion of small businesses and the great majority of Canadians? When will the government give up its proposed GST and proceed with a real tax reform that is fair and comprehensive?